Fertilizer plants of FCI

7454. SHRI SARADA MOHANTY: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the number of fertilizer plants set up by the Fertilizer Corporation of India (FCI) at different places in the country;

(b) whether some of those fertilizer units have fallen sick;

(c) if so, since when the reasons for their sickness;

(d) whether Government have any proposal to revive any of those fertilizer plants; and

(e) if so, the steps taken in that direction?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) to (c) FCI has four fertilizer producing units, namely Sindri (Bihar), Gorakhpur (U.P.) Ramagundam (A.P.) and Talcher (Orissa). As FCI had been incurring continuous losses since its reorganisation in 1987, the Board for Industrial and Financial Reconstruction (BIFR) declared it as a sick company in November, 1992. The main reasons for sickness of FCI had been the poor capacity utilisation arising from equipments/ design deficiencies, frequent equipment breakdowns, prolonged power cuts, ageing of the plants etc.

(d) and (e) In the context of proceedings pending before the BIFR, the Government have recently prepared a revival plan for FCI which, in principle, envisaged rehabilitation of Sindri, Ramagundam and Talcher units through revamp, alongwith capital restructuring of the company. The Gorakhpur unit is envisaged to be hived off from the parent company (FCI) and offered to other entrepreneurs. The funds for revival of these units have not been tied up so far.

Increase in the prices of medicines

7455. SHRI NARESH YADAV: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that prices of medicines are rising by 80% with 1970-71 as the base year and what are the prices covered in wholesale price index operating at present;

(b) what are the total number of drugs being marketed in the country;

(c) what is the annual increase in prices with 1970-71 as the base during the past three years;

(d) whether it is a fact that such a price rise is proving very exorbitant for the consumer; and

(e) what steps have been taken to bring down the prices of the medicines and what is the effect of such steps on the prices of concerned medicines?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) to (c) The number of medicines in the market runs into tens of thousands.

The Wholesale price Index of Drugs & Medicines in 1981-82 with 1970-71=100 as base was 154.4 as against 281.3 for All Commodities. As per the current series of WPI (1981-82=100), the Index of Drugs & Medicines in the last week of April 1995 stood at 223.4 as against as 286.6 for All Commodities. The compound rate of growth of Drugs & Medicines index in the last 3 years is approximately 10.5%.

(d) and (e) While the WPI of Drugs & Medicines does not show any abnormal increase, some price rise is unavoidable due to inflationary pressures faced by the economy. However, to ensure availability of essential, life saving and prophylactic medicines, the prices of identified medicines are regulated under the provisions of the Drugs (prices control) Order.